

# **FISCAL NOTE**

## **SB 2634 - HB 2677**

February 14, 2006

**SUMMARY OF BILL:** Authorizes honorably discharged veterans that are residents of Tennessee to purchase a lifetime combination hunting and fishing license for \$10.

### **ESTIMATED FISCAL IMPACT:**

**State Revenues – Net Decrease - Exceeds \$434,000 – First Full  
Year/Wildlife Resources Fund  
Exceeds \$700,000 – FY 07  
-08 Second Full Year And  
Thereafter/Wildlife  
Resources Fund**

#### Assumptions:

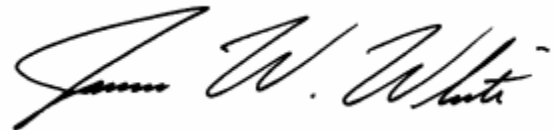
- Currently, veterans with a 100% service-related disability or a 30% or greater war related disability may obtain a lifetime combination license for \$10. According to data supplied by the TWRA, there are 5,913 individuals currently holding such a license and there is an annual increase in license holders of this type of approximately 700.
- Participation level for such veterans will be equal to the participation level of the general public.
- There will be a five percent increase in sales of this type due to the reduced purchase price.
- Due to the lack of available information from the Department of Veterans Affairs and the dynamic nature of the number of honorable discharges based upon the status of ongoing military operations, the assumption has been made that the number of honorably discharged veterans does not change from year to year.
- There will be no loss in federal funding associated with this bill. The federal government currently recognizes the sale of a lifetime license as a sale occurring each year when they calculate the federal match.
- Sales to all purchasing veterans are assumed to occur in the first year.
- A combination hunting and fishing license costs \$27.
- According to statistics provided by the U.S. Department of Veterans Affairs, 540,748 Tennessee residents would be eligible.
- According to TWRA sales estimates for FY05-06, 6% of the Tennessee population buys a combination hunting and fishing license.

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- The number of eligible veterans estimated to buy a combination hunting and fishing license is  $540,748 \times .06 = 32,445$ . After adding the five percent increase in sales due to the lower cost of the licenses and subtracting the number of veterans currently holding a \$10 lifetime combination license, the number of eligible veterans estimated to buy the license is  $32,445 \times .05 = 1,622$   
 $32,445 + 1,622 - 5,913 = 28,154$ .
- The annual reduction in revenue to the Wildlife Resources Fund is calculated as  $(32,445 - 5,913) \times \$27 = \$716,360$ . After subtracting the number of veterans (700) that currently buy the \$10 lifetime license each year ( $700 \times \$10 = \$7,000$ ), the total decrease in revenue to the Wildlife Resources Fund is  $\$716,360 - \$7,000 = \$709,360$
- The FY06-07 increase in revenue to the Wildlife Resources Fund is calculated as  $(28,154 \times \$10) = \$281,541$ . After subtracting the number of veterans (700) that currently buy the \$10 lifetime license each year ( $700 \times \$10 = \$7,000$ ), the total increase in revenue to the Wildlife Resources Fund is  $\$281,541 - \$7,000 = \$274,541$ .
- The total net decrease in revenue to the Wildlife Resources Fund for FY 06-07 is  $\$709,360 - 274,541 = \$434,819$ . The net decrease in subsequent years is \$709,360.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director